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23 V.S.A. § 801

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Current through all acts of the Regular and Adjourned Sessions of the 2023-2024 Vermont General Assembly

[Vermont Statutes Annotated](#) [Title 23 Motor Vehicles \(Chs. 1 – 41\)](#) [Chapter 11. Financial Responsibility and Insurance \(Subchs. 1 – 5\)](#) [Subchapter 1. General Provisions \(§§ 800 – 810\)](#)

§ 801. Proof of financial responsibility required

(a) The Commissioner shall require proof of financial responsibility to satisfy any claim for damages, by reason of personal injury to or the death of any person, of at least \$25,000.00 for one person and \$50,000.00 for two or more persons killed or injured and \$10,000.00 for damages to property in any one crash, as follows:

(1) From a person who is convicted of any of the following violations of this title:

(A) Death resulting from:

(i) careless and negligent operation of a motor vehicle; or

(ii) reckless driving of a motor vehicle.

(B) Any violation of section 1201 of this title or for any suspension pursuant to section 1205 of this title.

(C) Failing to immediately stop and render such assistance as may be reasonably necessary following a crash resulting in injury to any person or property, other than the vehicle then under his or her control.

(D) Operating, taking, using, or removing a motor vehicle without the consent of the owner in violation of section 1094 of this title.

(E) Operating a motor vehicle after suspension, revocation, or refusal of a license, in violation of section 674 of this title.

(F) [Repealed.]

(G) [Repealed.]

(H) The provisions of subdivisions (A), (C), (D), and (E) of this subdivision (a)(1) shall not apply to an operator furnishing the Commissioner with satisfactory proof that a standard

provisions automobile liability insurance policy, issued by an insurance company authorized to transact business in this State insuring the operator against public liability and property damage, in the amounts required under this section with respect to proof of financial responsibility, was in effect at the time of the violation. Nor shall these provisions apply if the operator was a nonresident, holding a valid license issued by the state of his or her residence, at the time of the violation, and satisfactory proof, in the form of a certificate issued by an insurance company authorized to transact business in the state of his or her residence, and accompanied by a power of attorney authorizing the Commissioner to accept service on its behalf, of notice or process in any action arising out of the violation, certifying that insurance covering the legal liability of the operator to satisfy any claim or claims for damage to person or property, in an amount equal to the amounts required under this section with respect to proof of financial responsibility was in effect at the time of the violation.

(2) From a person against whom there is an outstanding unsatisfied judgment of a court of competent jurisdiction within this State for damages arising out of a motor vehicle crash and based upon any violation of the provisions of this title.

(3) From the operator of a motor vehicle involved in a crash that resulted in bodily injury or death to any person or property damage, including to the motor vehicle under the operator's control, in an aggregate amount to the extent of \$3,000.00 or more, excepting, however:

(A) an operator furnishing the Commissioner with satisfactory proof that a standard provisions automobile liability insurance policy, issued by an insurance company authorized to transact business in this State insuring the person against public liability and property damage, in the amounts required under this section with respect to proof of financial responsibility, was in effect at the time of the crash; or

(B) a nonresident operator holding a valid license issued by the state of his or her residence at the time of the crash who furnishes satisfactory proof, in the form of a certificate issued by an insurance company authorized to transact business in the state of his or her residence, when accompanied by a power of attorney authorizing the Commissioner to accept service on its behalf of notice or process in any action upon the policy arising out of the crash, certifying that insurance covering the legal liability of the operator to satisfy any claim or claims for damage to person or property, in an amount equal to the amounts required under this section with respect to proof of financial responsibility, was in effect at the time of the crash.

(b) The provisions of subdivision (a)(3) of this section shall not apply to the operator of a motor vehicle, involved in a crash, if at the time of the crash the motor vehicle he or she was operating, whether attended or unattended, was legally parked in any location other than upon a public highway. Nor shall the provisions of that subdivision apply to the operator of an all-terrain vehicle when the vehicle is registered and operated pursuant to chapter 31 of this title.

(c) In lieu of the insurance policy or surety bond required under this section, a person may qualify as a self-insurer by obtaining a certificate of self-insurance from the Commissioner, who may, in his or her discretion, upon the application of such person, issue said certificate of self-insurance, when he or she is satisfied that such person is possessed of a net unencumbered capital of at least \$115,000.00. The Commissioner may require annual reports from any self-insurer, which reports must show at least \$115,000.00 unencumbered net worth. Whenever the Commissioner finds that any self-insurer does not possess \$115,000.00 of unencumbered net worth, he or she shall revoke the certificate of self-insurance. Failure to pay any judgment, within statutory limits, after such judgment shall have become final, shall constitute reasonable grounds for the cancellation of a certificate of self-insurance. A certificate of self-insurance obtained by a self-insurer shall insure every person operating a

motor vehicle, owned by said self-insurer, with his or her express or implied permission, against loss within statutory limits from the liability imposed by law upon such person arising out of the operation of said motor vehicle and shall be for the benefit of any person suffering personal injuries or property damage arising out of the use of such motor vehicle with such express or implied permission.

(d) Where erroneous information with respect to insurance coverage is furnished to the Commissioner by the operator involved in a crash, the Commissioner shall, after receipt by him or her of correct information with respect to such coverage, take appropriate action as provided in section 802 of this title.

(e) Within 15 days after the receipt from the Commissioner of notice of claimed insurance coverage, the insurance carrier named by the operator shall notify the Commissioner in such manner as he or she may require in case the required insurance was not in effect at the time specified in the notice. If no such notification is received by the Commissioner within 15 days, the Commissioner may assume that the required insurance was in effect at the time specified in the notice.

History

Amended 1965, No. 4, § 1; 1969, No. 227 (Adj. Sess.), § 2, eff. May 1, 1970; 1971, No. 151 (Adj. Sess.), §§ 1, 2, eff. March 2, 1972; 1971, No. 258 (Adj. Sess.), § 6, eff. March 1, 1973; 1977, No. 81, § 4, eff. April 27, 1977; 1977, No. 220 (Adj. Sess.), §§ 1, 2; 1979, No. 190 (Adj. Sess.), § 3; 1979, No. 194 (Adj. Sess.), § 1; 1983, No. 61, § 1; 1983, No. 240 (Adj. Sess.), § 2; 1985, No. 230 (Adj. Sess.), § 3; 1995, No. 17, § 1; 1995, No. 67 (Adj. Sess.), § 1; 1997, No. 117 (Adj. Sess.), § 34, eff. April 29, 1998, and Jan. 1, 1999; 1999, No. 102 (Adj. Sess.), § 2; 1999, No. 160 (Adj. Sess.), § 14; 2011, No. 46, § 7; 2015, No. 23, § 122; 2015, No. 47, § 20; 2019, No. 131 (Adj. Sess.), § 164; 2019, No. 170 (Adj. Sess.), § 2, eff. Jan. 1, 2021.

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